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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

17 September 1954

STAFF MEMORANDUM NO. 68-54

SUBJECT: Soviet Policy toward Germany — Post EDC

DOCUMENT NO. 21
NO CHANGE IN CLASS. ☐ 25X1
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CLASS. CHANGED TO: TS S (C)The Soviet Estimate of the Situation

1. The Soviet analysis of the results of French rejection of EDC probably contains elements both of optimism and of cautious reserve. On the one hand, the Soviet leaders probably believe that the defeat of EDC has weakened the Western alliance and left considerable obstacles in the path of West German rearmament in association with the West. On the other hand, they know that the defeat of EDC has not meant the final frustration of Western policies and that efforts are underway to find some other formula for German rearmament.
2. The Soviet leaders undoubtedly are confident that the cross-purposes and hesitations in the French Assembly which brought about the defeat of EDC will remain to plague any new efforts to achieve Western objectives, and that the resentments against France which have been freely expressed in West Germany will make Franco-German cooperation more difficult than ever. The Soviet leaders probably also estimate that the defeat of EDC has created serious problems for the West in West Germany. They can see that Chancellor Adenauer has been gravely embarrassed by

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the failure of a policy to which he was so unequivocally committed, and they probably estimate that (a) in order to maintain his leadership he will have to make concessions to those elements which have favored a more independent policy; (b) a train of developments has been set in motion which may enhance Soviet capabilities for influencing German opinion in favor of an accommodation with the USSR; and (c) in particular, West German sentiment for another four-power conference to explore further the possibilities of reunification may now increase. In sum, the Soviet leaders are probably encouraged that this round of the battle for Germany has gone to the Soviet side, and believe that the dynamics of disillusion which EDC's defeat has set in motion in the West will enhance Soviet chances for victory in the ensuing rounds.

3. Nevertheless, despite the advantages which the defeat of EDC has brought them, the Soviet leaders almost certainly recognize that in some respects the failure of EDC may be as potentially disadvantageous, in that it will invigorate Western efforts to achieve some substitute formula for assuring West German rearmament. At best, their advantages must appear somewhat ephemeral, and the Soviet leaders probably feel considerable concern that the Western powers may deny them the opportunity to exploit their advantages by quickly producing an acceptable substitute for EDC, and satisfying West German aspirations for sovereignty. Therefore, the Soviet leaders probably feel that further action is required to exploit the favorable situation which presently exists but may soon slip from their grasp.

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Probable Soviet Courses of Action

4. For some time the Soviet attack on Western efforts to achieve West German rearmament has followed three main lines:

- a. a proposed European security pact which the USSR has represented as making unnecessary military groupings such as EDC or NATO;
- b. warnings that US policy was playing into the hands of German militarists and "revanchists", and that the realization of such policies would not only make impossible the unification of Germany, but would bring the danger of war much closer;
- c. continued insistence upon the desirability of a unified and neutralized Germany, stress being placed upon the "unity" theme for the German audience, and the "neutrality" theme for the French.

For a long time the Soviet leaders have played their hand for Germany in the conviction that the German desire for "unity" was one of their strongest cards. The idea of a unified and neutralized Germany could also be expected to appeal to French desires to avoid German rearmament. They have attempted to enhance this appeal to French desires by reiterating the dangers attendant upon rearmament of West Germany and by linking their German program to the scheme for a European security pact. Renewed Soviet efforts to forestall West German rearmament will almost certainly continue to be based on the above program. The USSR

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will almost certainly make every effort to inveigle the West into a new four-power conference by dressing up these same proposals in more attractive garb.

5. In order to gain a hearing, the Soviet leaders may, for example, hint at the possibility of a compromise on Germany, appearing to change their position sufficiently to lure the Western powers into a new conference. During the height of the EDC crisis there were vague propaganda indications that the Kremlin might be preparing to bait the hook of its recent conference proposals by suggesting a willingness to compromise on the issue of free all-German elections. Such a hint at compromise, if it were advanced again, would probably be in the form of an implied willingness to permit "free" all-German elections under the supervision of a neutral nations commission along the lines of the arrangements worked out for Vietnam. As what appeared to be a considerable concession to Western demands, it would be calculated to stimulate pressures in Western Europe for a new conference. While the USSR would probably remain as reluctant as ever actually to carry through with free elections lest it lose its grip on East Germany, this reluctance could be most effectively exposed by the West only after a conference had been convened, and the USSR might well calculate that by such time any exposure would have become irrelevant.

6. The Soviet leaders might view such an ostensible compromise proposal as bringing them some advantages regardless of the Western reaction.

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If the Western powers accepted a conference on this basis, Western decisions with respect to Germany would almost certainly be delayed, and opportunities for interminable obstruction, delay, and divisive maneuver would open up for the Kremlin. On the other hand, if the proposal were rejected by the Western powers, disillusionment in Germany might be further deepened and the accomplishment of Western objectives made still more difficult.

7. Nevertheless, the USSR has always been extremely sensitive about free elections in Germany, and anxious to conceal its weakness on this issue. Furthermore, the risk to the Kremlin of forfeiting its present modest credit with world public opinion by making a compromise proposal which it did not intend to carry out would be considerable, even though in the past it has shown itself capable of obscuring such propaganda embarrassments. While the USSR might take this risk if it were convinced that no other recourse remained for preventing West German rearmament and integration in the Western alliance, there are no indications that the Soviet leaders have as yet reached this conviction. In determining how best to retain the initiative, they are more likely to conclude that the difficulties still to be surmounted by the West in its efforts to achieve West German rearmament will provide the Kremlin with ample time for delay and obstruction through less risky means.

8. The main effort of Soviet policy for the present, therefore, will probably be confined to encouraging interest in the Soviet proposal

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for a conference on European security and the German question through the many other devices open to Soviet propagandists. The Kremlin may seek to play further upon the neutralist forces in France and Germany by tying its proposal for a European collective security pact to new disarmament offers. It may seek to encourage hope that the Soviet position has softened by hinting at a willingness to reach a settlement on Austria. In the meantime, increased emphasis will probably be placed on propaganda directed to Germany, renewing the theme that West Germany's entrance into Western defense arrangements will delay reunification indefinitely. A major effort will probably continue to develop cultural and economic relations between East and West Germany, aimed at direct unity negotiations between the two. At the same time, the threat of Soviet nuclear power will continue to be brandished in the background, to give strength to the forces of neutralism, and to encourage the belief that "old fashioned" military alliances are incapable of providing security in the nuclear age.



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